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PUBLIC SERVICE  
COMMISSION

APPENDIX B  
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People Gas Inc

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

2008-202

Date Filed:

June 3, 2008

Date Rates to be Effective:

July 1, 2008

Reporting Period is Calendar Quarter Ended:

January 31, 2008

SCHEDULE I  
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	10.1977
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>10.1977</u>

GCR to be effective for service rendered from \_\_\_\_\_ to \_\_\_\_\_

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	100,716.40
	+ Sales for the 12 months ended <i>Jan. 2008</i>	Mcf	9876.40
	<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>10.1977</u>
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	<u>= Refund Adjustment (RA)</u>	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
	<u>= Actual Adjustment (AA)</u>	\$/Mcf	
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
	<u>= Balance Adjustment (BA)</u>	\$/Mcf	

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended

January 2008

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(5) (4)x(5) Cost
Columbia Gas			11,477.00	11.2578	111,186.54

Totals

Line loss for 12 months ended Jan. 2008 is 14 % based on purchases of 11,477.00 Mcf and sales of 9876.40 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	111,186.54
÷ Mcf Purchases (4)	Mcf	11,477.00
= Average Expected Cost Per Mcf Purchased	\$/Mcf	9.6878
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	10,396.21
= Total Expected Gas Cost (to Schedule IA.)	\$	100,716.40

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended January 2008

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Nov)</u>	<u>Month 2</u> <u>(Dec)</u>	<u>Month 3</u> <u>(Jan)</u>
Total Supply Volumes Purchased	Mcf	1336	1621	2225
Total Cost of Volumes Purchased	\$	15,100.85	18,400.80	25,332.14
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1269.20	1539.95	2113.75
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>11.90</u>	<u>11.95</u>	<u>11.99</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>15.0519</u>	<u>15.0519</u>	<u>15.0519</u>
<u>= Difference</u> <u>[(Over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>(3.1519)</u>	<u>(3.1019)</u>	<u>(3.0619)</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>980.1</u>	<u>1796.6</u>	<u>1567.2</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>3089.18</u>	<u>5572.81</u>	<u>4798.41</u>
<u>Total cost difference (Month 1 + Month 2 + Month 3)</u>				
	<u>\$</u>			<u>13,460.40</u>
÷ Sales for 12 months ended <u>Jan. 2008</u>	<u>Mcf</u>			<u>9876.40</u>
<u>= Actual Adjustment for the Reporting Period</u> <u>(to Schedule IC.)</u>	<u>\$/Mcf</u>			<u>1.37</u>

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended Oct 2007

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(Aug)</u>	Month 2 <u>(Sept)</u>	Month 3 <u>(Oct)</u>
Total Supply Volumes Purchased	Mcf	404	255	753
Total Cost of Volumes Purchased	\$	8807.55	2152.93	8386.12
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	383.80	242.25	715.35
= Unit Cost of Gas	\$/Mcf	22.95	8.89	11.73
- EGC in effect for month	\$/Mcf	15.0519	15.0519	15.0519
= Difference [(Over-)/Under-Recovery]	\$/Mcf	7.8981	<6.1619>	<3.3219>
x Actual sales during month	Mcf	250.6	253.0	276.0
= Monthly cost difference	\$	1979.27	1558.94	916.85

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	4455.08
÷ Sales for 12 months ended _____	Mcf	9807.80
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.46